



## ERS begins a new Agricultural and Rural Development Information System

### What factors contribute most to the economic well-being of farm and non-farm households in rural areas?

Until now we did not have a means to answer that important question. Beginning with funding in FY 2007, the Economic Research Service (ERS) and the National Agricultural Statistics Service will begin to develop and implement the Agricultural and Rural Development Information System (ARDIS) which is designed to address that question.

### What is the Agricultural and Rural Development Information System?

The President's FY2007 budget provides new funds to establish and maintain data collection on the demographic characteristics, employment, and income sources of rural households. Participation in farm, rural development, and other USDA and Federal programs, as well as other household well-being information, will be collected from nonfarm rural households and rural-based farm households in a longitudinal survey. Rural areas targeted include:

- Rural economies experiencing growth from increased retirement, tourism, and/or recreational demand;
- Rural economies experiencing declines in population and jobs;
- Rural areas susceptible to future economic pressures due to global competition for the goods and services they produce; and
- Rural areas facing persistent poverty.

### ARDIS will address key rural policy issues:

- ARDIS will allow researchers to isolate the effects of rural development, farm, conservation, and marketing programs from one another and from the myriad other forces affecting the economic well-being of farm and rural households.
- The close interaction among farm and nonfarm rural households is critical to understanding how rural America adjusts to changing economic circumstances or policy over time. The unique, previously nonexistent, longitudinal ARDIS data will help us discern these adjustment patterns.
- The simultaneous collection of ARDIS and ARMS data and information from panels of farm and nonfarm households in the same rural area will allow us to gauge how farm and nonfarm rural households respond differently to economic change and enhances our ability to assess the impact of farm policy on the rural economy.
- ARDIS will also provide State and local governments, trade and commodity associations, other interest groups, and the public with easy, interactive access to the new data. Such data will give USDA partners and customers better and more useful information on the status of farm, market, and rural economics.

### ARDIS undertakes four efforts to help provide knowledge on the linkages between the farm and rural economy:

- Collects longitudinal data on rural households to track critical indicators over time with special-focus modules to address specific, emerging policy issues;
- Uses longitudinal data to monitor farm and rural household adjustments to changes in policy, prices, and technologies by building on the ARMS survey;
- Expands public internet access to ERS agricultural and rural data; and
- Assures research capacity to analyze, interpret, and apply new agricultural and rural development information.

